GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3204
ANSWERED ON:22.03.2002
RESTRUCTURING OF STATE FINANCIAL CORPORATIONS
TRILOCHAN KANUNGO

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have received and accepted `Gupta Committee Report` for restructuring and. recapitalisingState Financial Corporations;

(b) if so, the main recommendations made by the mmittee;

(c) whether the State Governments have sent their ggesstions in this regard; and

(d) if so, the reaction of the `(inion-Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) :

(a) to (d) The Committee under the Chairmanship of Shri G.P. Gupta the then Chairman and Managing Director,Industrial Development Bank of India (IOBI) in its report dated 30th January, 2001 has made recommendations foroperational, financial and organizational restructuring of State Financial Corporations. The Committee has, inter-alia, recommended recapitalisation, amounting to Rs. 3, 600 crore which can be shared by Central Government, Reserve Bank ofIndia, Industrial Development Bank of India, Small Industries Development Bank of India and State Governments, whichshould be linked to reforms on the operations of SFCs. The process of consultation with the, State Governments and other concerned agencies on implementation of various recommendations is yet to be completed.